

## **IC 5-13-9.5**

### **Chapter 9.5. Designation of State Depositories**

#### **IC 5-13-9.5-1**

##### **Application by financial institution to be state depository; ineligibility; certificate**

Sec. 1. (a) A financial institution may at any time file an application to become a depository and receive public funds of the state on deposit. Except as provided in IC 5-13-8-1 and IC 5-13-8-7, designation of a depository to receive public funds of the state qualifies a depository to receive public funds of a political subdivision. Applications for the state board of finance must be filed with the treasurer of state. The treasurer shall submit each application to the board.

(b) An application must:

- (1) be made in writing on forms prescribed under section 8 of this chapter;
- (2) contain terms and conditions as required and authorized by this chapter; and
- (3) offer to:
  - (A) receive public funds of the state on deposit; and
  - (B) provide the security required by IC 5-13-13-7 for the safekeeping and prompt payment of the deposited funds.

(c) A financial institution is ineligible to become a depository and receive public funds of the state if the institution fails to maintain a capital ratio in excess of the minimum required by the governmental supervisory body of the institution. If the financial institution is already a depository, the institution may continue to hold the public funds until maturity to avoid the imposition of a penalty upon the depositor, although the financial institution may not accept the public funds for reinvestment and may not accept additional public funds. A determination of the ratio described in this subsection must be based on the institution's most recent periodic statement of condition filed with the institution's governmental supervisory body under the regulatory accounting principles as prescribed by the supervisory body.

(d) A financial institution shall furnish to the board a certificate executed by an officer of the institution signifying that the institution satisfies:

- (1) the requirements of subsection (c); and
- (2) the requirement in section 6(b) of this chapter that the sum of:
  - (A) the total principal amount of the depository's outstanding loans to Indiana residents; plus
  - (B) the total value of the depository's investments in Indiana residents;

is at least equal to the total amount of public funds of the state and political subdivisions of the state that are on deposit in the depository.

The board may rely on a certificate furnished under this subsection

in determining whether to deposit public funds or reinvest public funds in the institution.

*As added by P.L.18-1996, SEC.22. Amended by P.L.46-1997, SEC.14.*

#### **IC 5-13-9.5-2**

##### **Consideration of applications**

Sec. 2. The state board of finance shall consider all applications of financial institutions filed with the state board of finance.

*As added by P.L.18-1996, SEC.22.*

#### **IC 5-13-9.5-3**

##### **Designation of qualified financial institutions as depositories**

Sec. 3. (a) The state board of finance shall designate as a depository for public funds of the state any financial institution qualified under section 1 of this chapter that:

- (1) properly files an application to receive a deposit of public funds of the state and to provide the security required by IC 5-13-13-7; and
- (2) is suitably located with reference to the convenience of the officers and state institutions using that financial institution.

(b) The state board of finance may invite and act upon applications and designate depositories at any time when additional depositories may be available or are required for the state or a political subdivision.

*As added by P.L.18-1996, SEC.22.*

#### **IC 5-13-9.5-4**

##### **Expiration of designation as depository**

Sec. 4. When the state board of finance has designated a depository for public funds, the treasurer of state shall accept the application of the financial institution to act as a depository for public funds. A designation under this section expires only under the following conditions:

- (1) The board of depositories revokes the status of the financial institution as a depository under section 6 of this chapter.
- (2) The financial institution resigns as a depository under section 7 of this chapter.
- (3) Another law terminates the depository status of the financial institution.

*As added by P.L.18-1996, SEC.22.*

#### **IC 5-13-9.5-5**

##### **Filing copy of institution's statement of condition**

Sec. 5. A financial institution designated as a depository under this chapter shall, upon request of the treasurer of state, file a copy of the institution's most recent statement of condition.

*As added by P.L.18-1996, SEC.22.*

#### **IC 5-13-9.5-6**

**Revocation of commission of depository; causes**

Sec. 6. (a) The board for depositories regarding depositories of public funds of the state may revoke the commission of any depository at any time for any cause considered sufficient by the board for depositories.

(b) The causes for which the board for depositories may revoke the commission of a depository under subsection (a) include the failure of the depository to conduct lending activities in Indiana to such an extent that, at the end of each quarter, pursuant to the depository's certification, the sum of:

- (1) the total principal amount of the depository's outstanding loans to Indiana residents (as defined in IC 5-13-8-7); plus
- (2) the total value of the depository's investments in Indiana residents (as defined in IC 5-13-8-7);

is at least equal to the total amount of public funds of the state and political subdivisions of the state that are on deposit in the depository.

(c) Upon revocation, the depository shall immediately render an accounting and make settlement for all public funds deposited with the depository.

*As added by P.L.18-1996, SEC.22.*

**IC 5-13-9.5-7****Resignation of depository**

Sec. 7. Any depository designated under this chapter may resign as a depository and relinquish all public funds on deposit with the depository. The resignation is effective:

- (1) thirty (30) days after written notice is given to the state board of finance; and
- (2) after settlement with the state board of finance for all public funds on deposit with the depository.

*As added by P.L.18-1996, SEC.22.*

**IC 5-13-9.5-8****Forms**

Sec. 8. (a) The state board of accounts, with the approval of the attorney general, shall prepare and prescribe:

- (1) a form of agreement to receive public funds on deposit that may be accepted and executed, as provided in this chapter; and
- (2) any other forms necessary to carry out this chapter.

(b) These forms must be used by the state board of finance and depositories in the performance of the duties imposed upon the state board of finance by this chapter. All agreements and the rights of the parties must be subject to modification by any statute and by all rules adopted by the department of financial institutions concerning withdrawal of funds in times of emergency.

*As added by P.L.18-1996, SEC.22.*